

**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF DELAWARE**

In the matter of:

The Proposed merger of Northwestern Insurance Company, a Pennsylvania domiciled property/casualty Insurance Company, with and into Excess Reinsurance Company, a Delaware domiciled property/casualty Insurance Company and acquisition of Excess Reinsurance Company by Knightbrook, LLC, a Delaware Insurance Holding Company.

Docket No. 801

FINAL ORDER AND DECISION

This is the final order and decision on an application made to the Delaware Department of Insurance pursuant to 29 *Del. C.* Chap. 101 and 18 *Del. C.* §§ 4930 and 5003.

On March 18, 2008, Knightbrook, LLC (“Applicants”), filed a Statement Regarding the Acquisition of Control of or Merger with a Domestic Insurer (the “Application”) with the Department of Insurance of the State of Delaware (the “Department”) requesting approval of the proposed acquisition of control and merger (the “Proposed Transaction”) of Northwestern Insurance Company, an insurance company domiciled in the Commonwealth of Pennsylvania (“Northwestern”) with and into Excess Reinsurance Company, an insurance company domiciled in the State of Delaware (the “Domestic Insurer” or “Excess Re”).

In accordance with 29 *Del C.* Chapter 101 and 18 *Del C.* §§ 4930 and 5003, subsequent to notice in accordance with law, a hearing on the Application was held on May 28, 2008 before Neil B. Glassman, Esquire who was appointed by my authority as the hearing officer by order dated May 1, 2008. The appearances of counsel, parties and members of the public are set forth

in the Proposed Order and Recommendations of the Hearing Officer and are incorporated herein by reference, as are the defined terms set forth therein.

Findings of Fact and Conclusion of Law

The findings of fact and conclusions of law contained in the Proposed Order and Recommendations dated June 16, 2008 appear well reasoned and amply supported by the summary of evidence contained therein and the Exhibits. The summary of evidence, findings of fact and conclusions of law contained in the hearing officer's Proposed Order and Recommendations (attached hereto), are incorporated by reference and adopted herein in their entirety.

Decision

For the reasons set forth above, the proposed merger of Northwestern Insurance Company with and into, and the acquisition by Knightbrook LLC of control of, Excess Reinsurance Company are hereby approved subject only to the condition that no later than thirty days from the date hereof (i) Applicant shall have received all necessary approvals from the Pennsylvania and New York Departments of Insurance (with copies thereof to be provided promptly to the Department of Insurance of Delaware) and (ii) the Department of Insurance of Delaware shall have received audited financial statements for Venbrook Holdings, LLC and Knight Holdings for fiscal year 2007 satisfactory to the Delaware Department of Insurance.

SO ORDERED, this 14th day of August, 2008.



Matthew Denn
Insurance Commissioner